



FINANCIAL REGULATIONS AND PROCEDURES

2012-13

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ACCOUNTS PAYABLE

1. Suppliers

- 1.1 Adding Suppliers The Purchase Ledger Clerk (PLC) will check all orders/invoices received to see if an existing supplier is set up. If a supplier does not exist, the PLC will set them up on SAGE.
- 1.2 Altering Suppliers Details Changes to suppliers' information will be made as and when necessary by the PLC.

2. Processing of invoices

2.1 General

Payment should normally only be made against an invoice or pro-forma invoice. Payment against all invoices without PO's must be approved by the budget holder and if the invoice is greater than £500 by the Deputy Principal. For most purchases however, the College operates a manual purchase order system which means the budget holder requests authority to buy on a PO and effectively sanctions the use of their budget. The College Accountant countersigns the PO to verify that sufficient funds are available and the Deputy Principal finally signs to verify that financial regulations have been complied with. Providing that the invoice comes in within tolerance, (5% or £50 whichever is the least), the invoice may be paid as effectively it has been pre authorised. Only where the invoice is outside of tolerance, will the budget holder be asked to countersign and effectively sanction the additional cost against their budget. If a supplier submits a statement showing unpaid accounts which cannot be traced he should be asked to provide copies of the outstanding invoices.

2.2 Value Added Tax

- 2.2.1 VAT may only be coded to the VAT code and subsequently reclaimed from the Customs and Excise if the invoice meets specific conditions.
- 2.2.2 If VAT is charged the invoice must include the suppliers' VAT registered number, the rate of VAT and the amount of tax. Invoices which do not contain this information should be returned to the supplier with a request for the relevant details to be shown.
- 2.2.3 Where a supplier offers discount for early settlement, VAT may be calculated on the discounted value even though this discount is not taken.
- 2.2.4 Under no circumstances should VAT be altered. If such an invoice is incorrect it should be returned to the supplier for cancellation and the issue of a replacement.

3. Invoices relating to orders

3.1 The PLC will process invoices with orders as follows:

Once received in the Finance Office the invoices are stamped, coded and entered onto the SAGE system by the PLC. As part of this process the PLC will:

- Check that the price is correct and that the arithmetic calculations have been properly made;
- Ensure that all discounts and credits are taken

Once completed the invoices will then be sent to the Goods Inwards Clerk to match with an outstanding order. They will:

- 3.1.1 Locate the green copy of the appropriate order
- 3.1.2 Check that the invoice has not been previously paid or that the goods/services have not been charged on a different invoice
- 3.1.3 Ensure that the goods supplied are as shown on the order. Where only part of the order has been delivered, the items received should be marked on the green copy
- 3.1.4 Confirm the goods have been received in satisfactory condition or the work properly completed;
- 3.1.5 Attach the green copy order and delivery note to the invoice and return to the PLC
- 3.1.6 If the invoice matches the order and is within acceptable tolerance, (5% or less than £50 whichever is the least), the invoice will be passed directly to the relevant member of SMT for authorisation. The invoice will then be returned to the PLC, to await a payment batch.

4. Invoices where no order exists

4.1 The PLC will process invoices with no orders as follows:

- 4.1.1 The invoice is stamped and entered onto the SAGE system
- 4.1.2 Where the invoice is unlikely to have a delivery note, the invoice is then passed to the budget holder and to the relevant Deputy Principal for authorisation via the PLC. The invoice is then returned to the PLC.
- 4.1.3 All other invoices are passed to the Ordering Clerk who will match and agree to the delivery note. The invoice and delivery note are then returned to the PLC who will follow the procedure as before.

5. Credit Notes

5.1 The PLC will process credit notes as follows:

- 5.1.1 Check that it has not been previously processed
- 5.1.2 Stamp and copy the credit note

- 5.1.3 Process credit note onto SAGE purchase ledger system
- 5.1.4 Pass the credit note to the Ordering Clerk or relevant Budget holder who will authorise and return it to the PLC

5.2 Entering Invoices/Credit Notes onto the SAGE system

The transaction number generated by SAGE will be written in the top right hand corner.

6. Processing Payments

6.1 General

- 6.1.1 Only properly authorised invoices/credits notes that have been entered onto the SAGE system may be paid.
- 6.1.2 Unless there is an exceptional reason, invoices will be due for payment 30 days after the tax date on the invoice.

6.2 Making Payments

- 6.2.1 On a weekly basis the Purchase Ledger Assistant will process the paperwork available and then run a BACS proposal from Sage. The College Accountant will review the proposal and where necessary speak to the Deputy Principal to ensure that it is supported by the cash flow and that all supplier payments can be authorised by the Deputy Principal.
- 6.2.2 Weekly BACS runs will be made on a Wednesday. The Deputy Principal reviews the proposed payment schedule and will check all payments in excess of £1,000 and sign the proposal to this effect. Once agreed, the College Accountant and Deputy Principal will jointly upload the payments to the online Lloyds Link system and send the payments across.
- 6.2.3 All suppliers are asked to accept BACS payments and only in exceptional cases will cheque payments be made instead. One off cheque payments will be available where the need arises.
- 6.2.1 Printed cheques will be run via the SAGE system
- 6.2.3 The Purchase Ledger Assistant will pass the verified cheques to the College Accountant for a signature with the authorised invoices for checking. The cheques are then passed to the Deputy Principal to sign.
- 6.2.4 When the PLA is satisfied that all payments (BACS & cheques) are all correct the SAGE purchase ledger system will be updated with the payments.

7. Reconciliations

7.1 General

All reconciliations will be completed to comply with the requirements for the production of the Management Accounts which are in turn published 10 working days after the month end. Controls and reconciliations should be finished and signed off by the Deputy Principal within the 10 working day requirement.

7.2 Supplier Statements

7.2.1 The PLA will reconcile all supplier statements to the SAGE Purchase Ledger supplier balances.

7.2.2 Any differences will be investigated immediately, contacting the supplier as appropriate

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

ACCOUNTS RECEIVABLE

1. Customer Details

- 1.1 The Sales Ledger Assistant will process invoice request forms (Blue).
- 1.2 If a customer does not already exist, the Sales Ledger Clerk will set them up on SAGE.
- 1.3 The Sales Ledger Clerk will make any necessary changes to the customer details when required.

2. Raising Invoices

- 2.1 All invoices will be raised using SAGE Accounting System.
- 2.2 Invoices forms are serially numbered and are in three parts which will be distributed as follows:
 - 2.3.1 White copy - customer
 - 2.3.2 Yellow copy - originator
 - 2.3.3 Green copy - Finance Office file
- 2.3 Green copies of invoices will be filed numerically and held in the Finance Office.
- 2.4 Invoicing currently falls into three categories:
 - Leisure Centre lettings (monthly)
 - Adult Education courses/course fees
 - Miscellaneous (leases, etc.)

3. Leisure Centre Lettings

- 3.1 Booking forms are kept for regular club users in files held in the Leisure Centre. At the end of each month the Sales Ledger Clerk raises invoices for facilities used during that month.
- 3.2 The customers invoices are posted directly to the clubs' contact addresses.
- 3.3 Yellow copies of invoices are kept in the club files.

4. Adult Education

- 4.1 The Adult Education office will pass an invoice request to the sales ledger clerk when required.
- 4.2 The Sales Ledger Clerk will raise the invoice and return the yellow copy to Adult Education.

5. Miscellaneous

- 5.1 For all other goods or services supplied to the College, the Sales Ledger Assistant will process invoice request forms (Blue) and raise charges where required.
- 5.2 The Sales Ledger Clerk will raise these invoices as and when required.
- 5.3 The Sales Ledger Clerk will return the yellow copy of the invoice to the person requesting the charge.
- 5.4 At such time that other regular charges are established the College Accountant will ensure that an appropriate system is set up.
- 5.5 Credit notes will only be raised with appropriate authorisation by the Deputy Principal or College Accountant as and when required with a copy kept in Finance.
- 5.6 The Sales Ledger Clerk must ensure that VAT is charged at the correct rate where appropriate.

6. Receipts

- 6.1 All receipts will be posted to the SAGE system on a regular basis. See Cash Book Procedures (note 2) for recording and paying receipts.
- 6.2 Receipts will be recorded against the invoice raised.

7. Aged Debtors Listing

- 7.1 The Sales Ledger Clerk will run an aged debtor listing on a monthly basis that is reviewed by the College Accountant when checking the monthly reconciliation.
- 7.2 The Sales Ledger Clerk will meet with the College Accountant if required to review the balances on the aged debtor listing.
- 7.3 The Sales Ledger Clerk will issue a statement to any customer whose balance is at least one month old.
- 7.4 The Sales Ledger Clerk will send a further statement along with a letter or phone call to any customer whose account is two months old. The contents of

the letter will vary depending on circumstances.

- 7.5 The Sales Ledger Clerk will contact every customer whose balance is three months old, in writing, and advise them that if payment is not made by X date, legal action will be taken.
- 7.6 If no satisfactory response is received after the third reminder the Sales Ledger Clerk will pass the file to the Deputy Principal who will consider what further action to take. Further action would include the use of the College solicitor if this action is considered appropriate.
- 7.7 The College Accountant is authorised to write off debts of £100 or under if the Deputy Principal is satisfied the debt is not obtainable.
- 7.8 Debts under £1000 can be written off with the agreement of the Deputy Principal and the Principal if they agree that the debt is unobtainable.
- 7.9 Debts in excess of £1,000, that are considered unobtainable by the Deputy Principal must be forwarded to the Governors' Committee, Finance, Assets and Accommodation for approval prior to writing off the debt.

8. Reconciliations

- 8.1 All reconciliations and controls will be authorised by the Deputy Principal within 10 workings days of the month end at the latest.
- 8.2 The Finance Assistant will reconcile the General Ledger balance with the Accounts Receivable ledger.
- 8.3 Any differences must be investigated and corrected immediately.
- 8.4 Completed reconciliations will be passed to the College Accountant for approval.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

BUDGETARY CONTROL

1. Budget Preparation

- 1.1 Budget preparation will be the responsibility of the Deputy Principal, the information used for the non-curriculum and non-pay areas is collected as follows
 - 1.1.1 A zero-based method will be used as far as is practicable. Budget holders will be asked to prepare plans of their requirements for their allocated area detailing amounts and descriptions of the categories they wished to spend.
 - 1.1.2 Where a zero based method is not practical, for items such as services, insurance, bank charges etc the previous year will be used as a guide with adjustments being made for known increases/savings that will be made. These calculations will be made by the allocated budget holder with assistance from the Vice Principal where required.
 - 1.1.3 Whether a zero based method is to be used or not the budget holder is to be sent a copy of the previous year's expenditure for that area to ensure required expenditure is not overlooked by the budget holder.
 - 1.1.4 New projects require a business plan to be produced covering details of income and expenditure and cash flow requirements. Projects will be initially reviewed by the Senior Management Team. Significant projects will be presented to the Governors' Finance, Assets and Accommodation Committee meeting if Senior Management is happy to recommend it.
- 1.2 The Deputy Principal, working together with the Personnel Manager and the other Senior Management Team members as appropriate, produces the budget for payroll. The budget is a detailed calculation covering each contracted member of staff; estimates for casual staff are made as block figures based on previous years as adjusted for any known increases/decreases in activity. Proposed increases in pay are modelled to identify likely increases in costs.
- 1.3 The Deputy Principal produces a draft budget; this is produced from the estimates produced from the non-curriculum budget holders, EFA/SFA funding allocation and staff budget.
- 1.4 The Senior Management Team will carry out a series of meetings to review the draft budget, assess budget holders' plans, adjusting as agreed. The budget is assessed to ensure it conforms to the priorities set out within the Development Plan, and that the budget is reasonable.
- 1.5 Once the Senior Management Team has agreed the budget the Deputy Principal will write a budget commentary detailing the main areas within the budget that need to be drawn to the attention of Governors and stating the assumptions that have been made.

- 1.6 The budget is presented at the summer meeting of the Governor's Finance, Assets and Accommodation Committee and then, subject to amendments required by that Committee is recommended to the Corporation for their approval.
- 1.7 Timetable for the production of Annual Budget.

February half year review. Forecast amendments and following year draft budget projections.	Budget meetings are held with all budget holders to discuss the performance against the budget for the first 6 months of the year. Any changes which require an increase or decrease are then authorised by the DP and reflected in a half year forecast. At the same time budget holders are asked to project any changes anticipated for the following year. These are then built into a draft budget for the next year.
February	Deputy Principal reviews the 3 year plans in the light of anticipated funding settlements and also pay expectations and flags any concerns.
March	Following confirmation of funding rounds the Deputy Principal produces the first draft of the budget to be published. An indicative budget report detailing the key drivers will be submitted to the Board for their approval.
First week back after Easter break.	A good draft of the budget is tabled for the Senior Management Team to consider.
April	The College Accountant coordinates non pay budget agreements and produces a summary and detailed report of budgeted costs for the following year for review by the Deputy Principal. Once reviewed and compared with the 3 year plan, the DP will either agree the budget requests or ask for reductions if the total request exceeds the plan 'envelope'. Once agreed and the budget reconciles with the 3 year plan, the budget proposal will be presented to SMT for approval
May/June Governors' Finance, Assets and Accommodation Meeting & Corporation meeting.	Proposed budget is submitted to Governors' the through FAA Committee and onto Corporation for full approval (incorporating amendments as required).
Following Governors' approval, update a 3 year forecast.	Incorporate the agreed budget into a 3 year financial forecast model for submission to the EFA/SFA.

2. Budgetary Control

- 2.1 Only items of expenditure which have been approved by the relevant Budget Holder and Principal, Deputy Principal or Assistant Principal will be processed.
- 2.2 Budget Holders and the up to date list of budget holders' signatures is maintained in the finance office to confirm authenticity.
- 2.3 All Budget Holders will be issued with monthly reports. The College Accountant will issue these reports within 7 working days of the month end at the latest.
- 2.4 Budget Holders are responsible for controlling their budgets. It is not expected that budgets will be overspent. Where the Budget Holders foresee any difficulty, they should speak to the College Accountant or Deputy Principal as soon as possible.
- 2.5 The Deputy Principal will prepare the monthly Management Accounts Report including a commentary and distribute to the members of the Senior Management Team.
- 2.6 A summary of the Management Accounts will be sent out with the commentary to all Governors as required.
- 2.7 In addition, a commentary and Income and Expenditure Accounts are distributed to members of College Management Team for monthly committee meetings.

3. Report to Governors

- 3.1 The Governors will be issued with a summary report at Finance, Assets and Accommodation Committee Meetings. This will be prepared by the Deputy Principal and will include all significant events since the previous meeting.
- 3.2 Particular attention will be drawn in the Deputy Principal's report to the performance of new projects
- 3.3 The Principal and Deputy Principal will be in attendance to answer questions as necessary.

4. Order and Payment Authorising Signatories

- 4.1 Two designated signatories will sign all cheques prepared by the Finance Office
- 4.2 The general principle is that no goods can be ordered without being properly authorised. Proper authorisation means:

- i) the signature of the Budget Holder
- ii) the signature of the relevant Assistant Principal, Deputy or Principal

4.3 No invoice will be paid unless it is properly authorised in accordance with College purchasing procedures.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

CASH BOOKS

1. General

- 1.1 A Cash Book will be operated for each Bank Account on SAGE.
- 1.2 All transactions will be posted to SAGE.
- 1.3 Cash Book procedures will be the responsibility of the Finance Assistant under the supervision of the College Accountant.

2. Receipts

- 2.1 All monies, including cheques are processed daily and are banked as required giving regard to cash flow considerations and Finance Office safe insurance limits.
- 2.2 All banking will be recorded on the Corporation's paying-in book.
- 2.3 All receipts will be recorded by the Finance Assistant on the SAGE Bank Receipts System.
- 2.4 The Bank Receipts will be updated by the Finance Assistant daily for items paid directly into the Bank account and identified on the Bank Statement. Initially receipts are identified from the Online Banking system which is generally checked on a daily basis. Appropriate action will be taken to ensure that all receipts are valid.

3. Payments

- 3.1 Purchase Ledger payments will be made by the Purchase Ledger Clerk as described in the Accounts Payable system, Processing Payments.
- 3.2 Payroll payments will be made as described in the Payroll Procedures.
- 3.3 The following points 3.4 to 3.9 will apply to payments made outside the Account Payable and Payroll system.
- 3.4 Payments may only be made against valid, authorised invoices/receipts.
- 3.5 All payments must be authorised by the appropriate signatory. See Budgetary Control procedures.
- 3.6 Payments will be made as soon as possible, by the Finance Assistant.
- 3.7 Payments must be signed by the appropriate cheque signatories, see Bank Account procedures.
- 3.8 All payments will be recorded on the SAGE Bank Payments daily.

3.9 The SAGE Bank payments will be updated by the Finance Assistant daily for items paid directly out of the Bank account and identified on the Bank Statement. Initially these direct payments are identified from the Online Banking system which is generally checked on a daily basis. Any such payments must be investigated and reconciled wherever possible to supporting paperwork to make sure they are valid, authorised payments.

4. Reconciliations

4.1 The Bank Statement will be reconciled monthly by the Finance Assistant. The Finance Assistant will also prepare monthly reconciliations to the Nominal Ledger.

4.2 A separate reconciliation must be prepared for each Cash Book.

4.3 All reconciliations must be completed and authorised by the Deputy Principal within ten working days following the month end.

4.5 Completed reconciliations will be passed to the College Accountant for approval.

4.6 The reconciliations, together with printouts, will be filed in month order.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

FIXED ASSETS

1. General

- 1.1 Items will be capitalised in the College's accounts if their value exceeds £500, as from 1st August 2009, with the exception of IT where equipment might be capitalised if the aggregate value of a purchase for a project totals £500 or more. A judgement will be made in terms of the life expectancy of components as well as their integral importance to the overall project.
- 1.2 All items which are capitalised in the College's accounts are to be included on the College's Fixed Asset Register.
- 1.3 The categories of fixed asset used by the College are:
 - 1.3.1 Freehold land and buildings
 - 1.3.2 Computer equipment
 - 1.3.3 General equipment
 - 1.3.4 Motor Vehicles

2 Purchases of Capital Items

- 2.1 Capital expenditure can derive from different sources:
 - 2.1.1 Departmental budgeted expenditure – i.e. where a department makes capital purchases from its normal annual budget.
 - 2.1.2 Specific capital expenditure allocated via a departmental capital equipping bidding process carried out at the end of the previous academic year.
 - 2.1.3 College reserves allocated by Governors to be spent on Capital projects.
 - 2.1.4 Offer grants may be received which are to be spent on Capital items.
- 2.2 An overall Capital budget is set at the start of the year by agreement between Governors and College Senior Management. The expenditure is monitored and reported on by the Deputy Principal in the monthly finance reports (form 5). The Capital budget will only be awarded with the agreement of Governors, alongside the overall budget for the following year.
- 2.3 Authorisation procedures are as for other expenditure.

3. Sale/Disposal of Assets

- 3.1 Any person wishing to sell or dispose of a Capital item must submit an application to their College Manager. Should the new value of the item be in excess of £1,000, agreement from the Deputy Principal be obtained first.
- 3.2 The application will be on the standard form attached (Appendix A) showing the following:
 - 3.2.1 Detail of item
 - 3.2.2 Proposed sale value if appropriate
 - 3.2.3 Reason for disposal/sale
- 3.3 When items have been approved the originator must give full details of sale to Sales Ledger Clerk who will ensure that correct invoices are raised.
- 3.4 The College Accountant will ensure that the items are disposed of out of the College accounting records in accordance with accepted accounting practice. The Fixed Asset Register will be updated.

4. Depreciation Policy

- 4.1 All assets, except land, will be depreciated on an equal instalment basis over the estimated useful life of the asset.
- 4.2 The useful life of buildings will be defined by the valuation reports.
- 4.3 All assets will be considered to have the following useful life:
 - 4.3.1 Buildings 50 years
 - 4.3.2 Furniture and Fittings - 5 years
 - 4.3.3 Equipment - 5 years
 - 4.3.4 Computer Equipment - 5 years
 - 4.3.5 Vehicles - 5 yearsBuildings or additions considered temporary and having less than a 50 year life, will be depreciated over 25 years.
- 4.4 Depreciation charges will be computed during the year by the College Accountant.

5 Fixed Asset Register

- 5.1 Complete details of all assets (as recorded in the College accounting records), except land and buildings, will be recorded on a database. The Goods Inwards/Purchasing Administrator will inform the Finance Office of the receipt of Capital items. A bar coded label will be sent to the department who will then stick the label on each item, and completed a Fixed Asset Record Sheet.

5.2 An annual audit will be carried out around the Easter period by the staff responsible for the asset. Reports will be printed and distributed from the database to enable audit checks to take place.

6. Fixed Asset Loans

6.1 A standard procedure will be used across the College to ensure College assets are kept safe. A standard loan form (Appendix B) is the basis of this procedure and it is to be completed by the lending department each time a piece of equipment is to be lent to students or staff. Should equipment not be returned when agreed the department is to make every effort to retrieve it; if the item is not returned the disposal form should be completed

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

FRAUD POLICY

1. General

Fraud is a general term used to cover a number of illegal activities that are separately specified within Criminal Law. In its widest sense and for the purpose of this policy fraud is defined as:

- 1.1 the intentional distortions of financial statements or other records which are carried out to conceal the misappropriation of assets or otherwise for gain.
- 1.2 theft, being the act of dishonestly appropriating property, including money or other assets, belonging to another with the intention of permanently depriving the other of it (which might not include any distortion or falsification of records but be the simple act of stealing property) and corrupt practice, including the offering, giving, soliciting or acceptance of inducement or reward which might influence the actions taken by the College.
- 1.3 The key factor is that the actions are intentional and dishonest and fraud has to be distinguished from innocent, albeit inappropriate actions, which could give rise to losses to the College.
- 1.4 Fraudulent activity as it affects the College could potentially involve any employee of the College at whatever level, its lay members of the governing body and its agents and contractors. It might also arise totally external to the College by, for instance, cheques to and from the College being misappropriated in the post.
- 1.5 Internal systems of control in the College are designed to restrict to a minimum opportunities for fraud. Strategies such as segregation of duties, strict computer password control, rotation of duties within teams as well as having clear documented procedures.
- 1.6 Reliance is not put on the work of auditors to identify incidents of fraud though there is an expectation that the financial statements auditor will conduct the audit so that there is reasonable expectation of detecting material mis-statements in the accounts arising from irregularities.
- 1.7 The work of the internal audit service and that of the financial statement auditors would be expected to identify weaknesses in the College financial procedures and processes and to recommend improvements to the College. Recommendations to improve systems are to be made via reports to the Audit Committee of the Corporation. Amendments to Financial Regulations and Procedures are to be presented to the Finance, Assets and Accommodation Committee before being presented to the Corporation for agreement.

2. Reporting of suspected fraud or control weaknesses

- 2.1 Serious weaknesses or an accounting or other control breakdown identified by the financial statements auditor should be reported to the Principal, Chair of the Corporation and Chair of the Audit Committee without delay.
- 2.2 Should the Principal be implicated in the suspected fraud then the Head of Internal Audit should be notified directly who will immediately report the matter to the Chair of the College's Audit Committee.

Head of Internal Audit

Group Manager

Hampshire Audit Services
Hampshire County Council
The Castle
Winchester
Hampshire SO23 8UB

Tel 01962 846687

- 2.3 Should College staff, the internal audit service (IAS) or financial statements auditors suspect or discover fraud it should be reported as quickly as possible to the Principal, Chair of the Audit Committee and the Head of the IAS. Where the Audit Committee feels that there is evidence of irregularity, fraud, corruption or any impropriety, the Chair of the Audit Committee must notify the Chair of the Corporation who must raise the matter at the next meeting of the Corporation. Where the matter is 'significant' the Governors must consider holding a special meeting.
- 2.4 Unless there are good reasons to the contrary, anonymous allegations received in writing will be taken seriously and investigated in an appropriate manner.
- 2.5 The Senior Management of the College is responsible for dealing with any allegations of fraud and corruption that are brought to their notice in a thorough, prompt, professional and impartial manner.
- 2.6 No member of staff should conduct their own investigation of fraud, or confront other staff who are suspected of fraud or reveal to them that they are suspected.
- 2.7 The Principal and where appropriate (subject to the Proceeds of Crime Act 2003) the College financial statements auditor or IAS must report to the Funding Agencies Executive Director, without delay, serious weaknesses, significant frauds, major accounting and other controls breakdowns of which they are aware.

3. Actions to be taken

- 3.1 The Audit Committee must consider instigating special investigations by the IAS or others if the evidence warrants this. The Head of the IAS must be kept informed so the adequacy of the relevant controls can be considered as well as evaluating the implications of the fraud on the risk management, control and governance processes.
- 3.2 The purpose of the audit investigation will be to determine whether there is a prima facie case of fraud. If such a case is made then:
- 3.3 Fraud shall normally be reported to the police at the earliest opportunity. Such notification will normally be by the Principal (but depending on the degree of alleged involvement of the Principal) by the Head of the IAS directly in consultation with the Chair of the Audit Committee. Where the police are not notified then the reason must be reported to the Audit Committee. That Committee shall also receive a report from the IAS of all fraud allegations which they have investigated, whether substantiated or not or 'significant' or not.
- 3.4 Where a member of staff is suspected and a prima facie case made and reported to the police it shall be usual, while the matter is subjudice, for the employee to be suspended. That shall not preclude the College, without prejudice to the outcome of subsequent criminal proceedings, from taking appropriate action in the interim under its own disciplinary procedures. That might arise, for instance, where the conduct of a member of staff gives rise to a fraud investigation through gross failure, admitted or proven, to keep proper control of records or assets. Penalties under the College's disciplinary procedures may be imposed in advance of any criminal proceedings.

4. Definitions

- 4.1 Serious weaknesses - one which may result in a significant fraud or irregularity and may include cases of irregularities in expenditure which could lead to suspicions of fraud.
- 4.2 Significant fraud
- Sums of money are in excess of £10,000
 - The particulars of the fraud are novel, unusual or complex
 - There is likely to be great public interest because of the nature of the fraud or the people involved.
 - Further clarification can be obtained from the PFA Regional Audit Manager.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

GIFTS AND HOSPITALITY POLICY

1. Introduction

The College aims to provide the highest standard of service to all of its students and staff and to care for the well being of its employees. In return students, staff and the public are entitled to expect the highest standards of conduct from all of the College's Corporation and Committee Members and employees.

This Policy aims to lay down guidelines which will enable you to meet the aims and core values of the College and to protect you from misunderstanding or criticism. Inevitably some issues will affect Corporation and Committee Members and senior postholders more than others and some breaches of the policy may be regarded more seriously for those in such positions.

The principle of integrity requires that Corporation and Committee Members and staff should not place themselves under an obligation that might influence, or be perceived to influence, the conduct of their duties. This means that the receipt of hospitality and gifts must be subject to clear restrictions and that any that are accepted must be declared and recorded.

2. Gifts

You must not accept cash, or personal gifts with a significant monetary value, under any circumstances, although items of nominal value, (i.e. approximately £25.00 or below) or free promotional pens, calendars, diaries and similar items, may be accepted.

Personal gifts may not be solicited under any circumstances.

When you have to decline a gift, you should be courteous but firm, and draw the attention of the person making the offer to the existence of this policy.

All gifts received must be recorded in the College's gifts register, which will be maintained by the College Accountant.

3. Hospitality

You should never accept lavish hospitality that could be interpreted as a way of exerting an improper influence over the way you carry out your duties. Nor should you offer such hospitality to others on behalf of the College. The timing of hospitality in relation to procurement or purchasing decisions that the College may be taking is especially sensitive. Above all, you must never solicit hospitality. As a general rule, you should not accept hospitality that the College would not reciprocate in similar circumstances. When you have to decline hospitality, you should be courteous but firm, and draw the attention of the person making the offer to the existence of this policy. If necessary, you should pay your share of any costs, and claim these in the ordinary way.

4. Acceptable Hospitality

You may accept modest working meals and light refreshments without making any declaration. Other hospitality may be accepted, for instance where: -

- there is a genuine need to impart information or represent the College in the community.
- an event is clearly part of the life of the community or where the College should be seen to be represented.
- the hospitality concerns attendance at a relevant conference or course where it is clear the hospitality is corporate rather than personal

Before accepting any hospitality, approval should be sought from either the Chair or Vice-Chair in respect of Corporation and Committee Members or the Principal or Deputy Principal in respect of employees. In exceptional circumstances retrospective approval may be obtained. All hospitality received must be recorded in the College's hospitality register (see paragraph 6 below) with the exception of working meals, receptions etc.

5. Sponsorship

Where an outside organisation wishes to sponsor or is seeking to sponsor the activity of the College, whether by invitation, tender or negotiation, or voluntarily, the basic conventions concerning the award of contracts, and acceptance of gifts or hospitality apply.

6. Hospitality & Declarable Interests Register

The Secretary to the Board will maintain a Hospitality Register for the Corporation and for senior postholders. It will be the responsibility of individuals to ensure that the Clerk to the Corporation is notified of all hospitality given or received by Governors' and to the Deputy Principal in the case of staff. It is also embedded in all Committee and Corporation agendas that any member with a declarable interest makes the Clerk aware before the commencement of the meeting.

It is the members' clear responsibility under the Code of Conduct that they declare anything material and that they are seen to be 'above reproach'. Governors' are asked to sign the Code annually to reaffirm their understanding of its requirements.

For this purpose, a 'declarable interest' is one which may influence or compromise a member in their objective approach to College governance. If an interest is declared to the Clerk, the Clerk will take the decision as to whether the declaration presents a fundamental conflict, in which case the member will be asked not to take part in the specific item being decided (or asked to leave), or if minor, a decision will be made as to whether the member can carry on objectively in dealing with the business in hand.

7. Expense Claims

Where hospitality is to be provided by the College this should be approved in advance by the Chair or Vice-Chair in respect of Corporation and Committee Members or the Principal or Deputy Principal in respect of employees. In exceptional circumstances retrospective approval may be obtained. All hospitality provided must be recorded in

the College's hospitality register (see paragraph 6 above). Any hospitality provided should not be extravagant and a maximum figure of £40 per head should be used as a guideline.

Claims for reimbursement of expenses should be made on the relevant Expense Claim Form and submitted to the Senior Finance Officer once authorised. Receipts should always be enclosed.

Alternatively authorised invoices from the suppliers can be paid in accordance with the normal procedures.

Deputy Principal	Corporation	June 2012
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INVESTMENT POLICY

1. Scope

This Policy covers all funds under the control of the College.

2. Corporation Responsibilities

The Governing Body of the Corporation has a general responsibility under the Statutory Instrument 1992 No. 1957 The Education (Government of Further Education Corporations)(Former Sixth Form Colleges) Regulations 1992. Schedule 2 Articles of Government section 3 states the Corporation shall be responsible 'for the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets'.

3. Objective

To comply with the Corporation's Responsibilities in the investment of funds more specifically to achieve a competitive rate of interest on deposited funds whilst keeping risks to capital sums to a minimum.

4. Types of Investment

Investment of Funds will be confined to deposit and investment accounts, investment in shares or other negotiable securities is not permissible. Any notice required for withdrawal of funds needs to take into account the potential loss of interest for early withdrawal.

5. Limits

The College will review frequently the balance of its investments as to their appropriateness and corresponding risk attached at any given time.

6. Approved Institutions

Funds must only be deposited with institutions that have previously been approved by the Corporation. Proposals for additions to the approved list must first be made to the Governors Finance, Assets and Accommodation Committee which will then recommend the proposals to the full Corporation as appropriate. Institutions currently approved are Lloyds TSB Plc, and Scottish Widows (part of Lloyds TSB).

7. Reporting

The Deputy Principal will report to each meeting of the Governors Finance, Assets and Accommodation Committee on the average levels of funding being invested with each institution and the rates of interest being achieved at that time.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

LEISURE CENTRE CASH HANDLING

1. General

- 1.1 A key for the safes located at the Leisure Centre reception in the Student Common Room will be held, when not in use, in the Finance Office safe. The Finance Assistant would normally be the finance staff member who uses the keys-on a daily basis.
- 1.2 A Leisure Centre safe key will also be held by the Enterprise Manager which will be made available to the Duty Manager.
- 1.3 The Centre will hold the following floats:
 - 1.3.1 Reception Till Float £20.00
 - 1.3.2 Reception Change Float £30.00
- 1.4 Any discrepancies must be notified to the Finance Assistant immediately.
- 1.5 The Finance Assistant will collect takings on a daily basis, Monday to Friday. A member of the Premises team will escort the transport of the takings to the Finance Office.

2. Reception Takings

- 2.1 Monies received in payment of invoices (Debtors) will be processed through the till under the invoiced club button. A copy of the Debtors payment invoice will be taken and placed in the takings bag at the end of business.
- 2.2 At the end of each day the Duty Manager will ensure that the following tasks are completed:
 - 2.2.1 Take an 'X' till reading for Audit purposes and a 'Z' reading for Finance
 - 2.2.2 Put the 'Z' reading, takings and debtors copy invoice in a money bag
 - 2.2.3 Put the money bag into the Leisure Centre safe
 - 2.2.4 Count the till float
 - 2.2.5 Put the float into a separate tray
 - 2.2.6 Put the tray into the Leisure Centre safe.

3. Distribution of Floats

- 3.1 At the beginning of each day the Finance Assistant will complete the following:

Remove takings of the previous day(s) from the safe

4. Reimbursement of Floats

4.1 The Finance Assistant will count the till float every day.

4.2 The Finance Assistant will reassess the denominations required on the float adjust accordingly.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

MANAGEMENT AND REPORTING OF CONTRACTS

1. Context

Contracts are to be awarded in line with the regulations and procedures laid down in the document titled "Procurement of Goods, Materials and Services". The Deputy Principal has the responsibility to update the Committee on the progress of works on the College Campus and this report will include an update on contracts. Where appropriate, this report could be in the form of a verbal update.

2. Reporting

The Finance, Assets and Accommodation Committee is to receive reports at each meeting where relevant, of the following:

(a) Details of any major new contracts awarded since the last Committee meeting which required a tender process These details would include:

- Name of Contractor
- Value of contract awarded
- Short description of work to be carried out under the contract.

(b) A short report describing the progress of these contracts including

- Percentage of the contract that is complete
- Whether the contract is expected to come in within budget and explanations for any increases in costs.
- The current expected completion date and whether this will create any problems.
- Any major changes to specifications of the work to be carried out and why.

3. Management

(a) Day to day on site management of construction contractors will be carried out where appropriate by the Estates and Facilities Manager. Where it is inappropriate for the Estates and Facilities Manager to carry out on site management, due to the specialised nature of a contract for example, a suitably qualified professional will be appointed. On site management activities are at a level of control which when exercised over the activities of the contractor ensures correct performance of the stated contract.

(b) The Estates and Facilities Manager will inform Senior Management immediately of any expected increases in the final costs of the contract.

(c) The Estates and Facilities Manager will ensure that sufficient suitable records of contract monitoring activities are retained to satisfy an independent examination of the monitoring records that good practice has been followed.

- (d) Authorisation of contracts up to £75,000 (net of VAT) needs to be made by the Principal or Deputy Principal after the requirement to obtain 3 competing quotations has been met. Only Senior staff appointed by the Board have the authority of the Corporation to sign on its behalf.
- (e) For contracts with a value of over £75,000 per year (net of VAT), a signature of the Chair of the Corporation is required.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

MONTHLY MANAGEMENT ACCOUNTS

A full set of Management Accounts is produced monthly, although for the two months around year end, July and August, only interim accounts are required. The Key Performance Indicator, KPI, for their production currently is 15 working days as required by the EFA PFA audit running from the close of the ledgers on day one to review and sign off by Senior Management. The operational target is 10 working days which is being consistently met.

The Management Accounts, which includes a cash flow is seen to be the prime source of financial information and measure of performance for the Corporation and its Governors and these are always reviewed in detail by the Finance, Assets and Accommodation Committee and Corporation at their termly meetings, so generally the accounts for October will be tabled for the November Finance, Assets and Accommodation Committee and will then go to the December Corporation meeting. The rule is that the latest set of accounts will always go for review, but this will depend on the timetable for each Governor meeting. Given that distribution of papers is seven clear days from the meetings; this often dictates the set available. It is quite permissible for an earlier month to be posted to Governors whilst an update review of a later set of accounts can be 'tabled' at the meeting.

The standard Management Accounts Pack consists of the following documents:

- 1) An I&E Account for the Year to Date, (YTD), FY Budget and FY Forecast
- 2) A Balance Sheet which contains the YTD for the current and previous month, the Budget and the latest Forecast. It is also now a requirement (PFA Audit November 2008) for the Balance Sheet to include a variance analysis with brief commentary for the incremental shift between this month and last.
- 3) A reconciliation statement detailing the movements in the full year forecast from the original budget
- 4) The full year cash flow summary by month for the current and following years
- 5) Cash flow reconciliations for the month in question and the full year forecast which agree with the stated Balance Sheet position.
- 6) Full commentary on the month as well as any updates to the FY Forecast, with relevant ratios and KPIs.

Other documents which may be produced from time to time to support the accounts and could include a monthly fees analysis, a full Estates repairs analysis or a full incremental variance report showing month on month changes. Additional reports will be required depending on where the focus needs to be at any one time and it is within the role of the College Accountant and Deputy Principal to identify where the 'issues' are and highlight them to the SMT and Governors.

The schedules themselves are produced by the College Accountant and the month end file then reviewed by the Deputy Principal. The forecast position to the end of the year will be agreed and updated by the Deputy Principal and College Accountant collectively and the new position reconciled with the original budget using the reconciliation schedule.

Once all schedules have been updated the commentary will be written by the Deputy Principal using the standard template provided from the previous month. Commentary will vary in focus and detail depending on time of the year, performance in the month and the background (political and strategic), in the period in question.

Following review of all schedules by the Deputy Principal and completion of the commentary, the final 'sign off' for the Management Accounts will be through the Principal, who may require amendments or additions to the commentary. This agreed, the Deputy Principal will provide the Principal's PA with all documents by e mail to distribute to the mail user group, to include the Governors, the EFA and the Bank.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2011

NOMINAL LEDGER

1. General

- 1.1 All journal entries to the SAGE system will only be made via an official St Vincent Journal. Purchase ledger and sales ledger entries update the nominal ledger automatically. Cash book updates will be made daily to the Nominal Ledger.
- 1.2 All journals that relate to movements between balance sheet codes and income and expenditure codes or total more than £10,000 will be authorised by the Deputy Principal before being posted to the system. All other journals will be authorised by the College Accountant.
- 1.3 The transaction number allocated to the journal by SAGE will be entered onto the journal sheet after the journal has been posted.

2. Output

- 2.1 All control accounts will be reconciled at each month end; reconciliations are to be checked and initialled by the Deputy Principal.
- 2.2 Reports from SAGE required to support reconciliations will be printed and filed as evidence.

Within the Finance department electronic backups will be made daily to the J Drive as well as a USB device which is stored off site

- 2.3 Prior year backups will be made on an annual basis following the completion of the annual external audit. These backups are to be retained for possible audit or VAT inspection purposes for six years.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2011

OVERSEAS TRAVEL POLICY

1. General

College staff may from time to time have reason to travel overseas. All such trips must be properly justified and evaluated, and approved in advance by the Principal. In the case of travel by the Principal, the Chairman of the Corporation will be responsible for approval of the trip.

The college will ensure that only the appropriate number of people necessary makes such trips to achieve the college's business objectives. The level of accommodation or class or means of travel, whilst appropriate to business needs and of a standard suitable for college staff should not be capable of being regarded as lavish.

As far as practical, detailed receipts supporting all claims for reimbursement of out-of-pocket-expenses should be provided. All expense claims for overseas travel must be countersigned by the Principal and Deputy Principal.

2. Overseas Travel, subsistence and allowances

2.1 Overseas travel will only be approved if:

- it clearly demonstrates how the activities fit with the College's legal powers and educational aims;
- it is informed by an analysis of the financial implications of the activities

2.2 The approval mechanism for overseas travel is as follows:

- 2.2.1 The Chair's overseas activities are approved by the Corporation
- 2.2.2 All other Governors' overseas travel (including the Principal) is approved by the Chair
- 2.2.3 All other staff (including Senior Postholders) must be approved by the Principal
- 2.2.4 Any overseas activities will be disclosed in the annual financial statements.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

PAYROLL

1. Payroll System

The computerised payroll system is operated on a monthly basis for all contracted personnel employed by the College. The payment date for salaries is the last working day of each month.

2. Documentation

All documentation is appropriately authorised before action is taken to update the payroll system.

- 2.1 Staff joiners, leavers and amendment to salary documentation, is issued by the Personnel Department, authorised by the Vice Principal Finance and Resources and Principal. It is passed to the payroll section in the personnel office for action. All internal forms are attached. See Appendix A.
- 2.2 Employees working additional hours over and above their contracts, and casual employees, complete a supplementary form that is authorised by their College Manager and Deputy or Assistant Principal. See Appendix B.
- 2.3 Travel and Subsistence forms are completed by the individual member of staff, signed by their College Manager and the Deputy or Assistant Principal. Forms are signed by the personnel department and coded to enable the cost to be allocated to the relevant budget. All claims must be fully supported by receipts. Full requirements for expense claims are detailed on the expense claim forms.

3. Payment Procedure

- 3.1 All relevant paperwork has to be with the finance office by the nearest Friday to the 15th of each month in order that it will be included with that month's salary.
- 3.2 When all amendments have been made to the payroll system the details are transferred and compared to the College Accountants budget spreadsheet with any variations being explained.
- 3.3 Payslips and payroll reports are produced. Reports are checked and relevant paperwork for outside bodies (i.e. Inland Revenue, pension schemes) is raised.
- 3.4 Net pay details for all staff, once authorised by the Deputy Principal, are transferred from the payroll system, via disc, to the Lloyds TSB Bank supplied software which is loaded on the Finance Officer's computer. Payment into individual staff bank accounts is then made through the banking BACS system via a modem link. Authorisation for the sending of payments requires two from the following: College Accountant,

Senior Finance Officer, Deputy Principal and the Principal. One of the two staff members must be the College Accountant or Senior Finance Officer.

- 3.5 The payroll system is then updated for the month and cumulative reports are produced and checked. Payroll journals are produced and authorised by the College Accountant. Cheque/BACS requisitions are raised to all outside bodies from the payroll system together with any cheques for pay to the staff for whom payment via BACS has not been possible.
- 3.6 Payslips are passed to individuals via pigeonholes in the staff room, files in Student Services Centre and posted before the salary payment date.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

PETTY CASH

1. General

1.1 The following Petty Cash floats will be held

- Cashier, Finance Office £200
- Business Development £200

1.2 The floats will operate under an imprest system and will be reimbursed by the Cashier regularly, when needed.

1.3 All floats will be kept in a secure locked place, within a locked cash box. There will only be one key holder for each cash box. The Finance Office will keep master copies.

1.4 All petty cash movements will be posted to SAGE cash payments or receipts.

1.5 In addition, there are other floats as detailed in the attached table.

From time to time additional temporary floats may be set up to cope with special projects that need to have access to a float to efficiently function. -

2. Payments

2.1 Payments may only be made against valid, authorised invoices/receipts.

2.2 All payments must be authorised by the appropriate signatory. (See Budgetary Control procedures).

2.3 An official Petty Cash claim must be completed for each payment made and signed by the recipient of the money.

2.4 All Petty Cash claims must be given a folio number and kept in the Petty Cash box until the reconciliation/reimbursement is actioned.

3. Reimbursement

Each month the monies in the Petty Cash box will be counted and added to the value of the Petty Cash claims to ensure that total agrees to the value of the float. Any discrepancies will be advised to the College Accountant immediately so that the appropriate action can be taken.

4. Reconciliations

4.1 The Finance Assistant will reconcile the Petty Cash balances to the balance shown on the Control Accounts. This is done on a monthly basis.

- 4.3 All monthly reconciliations must be completed and authorised within 10 working days of the month end.
- 4.4 Immediate action will be taken on any items arising as a consequence of the reconciliation.

5. Leisure Centre Floats

- 5.1 The floats will be kept in a safe and be the responsibility of the Community Operations Manager.
- 5.2 The cashier will count the floats each day (where appropriate) and ensure that the balances are correct.
- 5.3 Any discrepancies will be advised to the College Accountant immediately in order that the appropriate action may be taken.
- 5.4 The Finance Assistant will provide appropriate change to the Leisure Centre as required.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

PROCUREMENT OF GOODS, MATERIALS AND SERVICES

1. Application

These procedures are to be followed prior to orders being placed for goods, materials or services by the college. All orders are to be made using College official order forms and in accordance with the College Financial Regulations and Procedures for Ordering.

2. Depending upon the Estimated Value or Amount of the Order the relevant procedure is as follows:

2.1 Under £15,000 (ex VAT)

Only one quote required giving due regard to Value for Money considerations, preferred contractor arrangements and use of local suppliers.

2.2 £15,000 to £74,999 (ex VAT)

A requirement to obtain three written quotes.

2.3 £75,000 to £199,999 (ex VAT)

Open tendering will normally apply, this procedure is detailed separately below.

NB: Where it is not possible due to the absence of sufficient suitable suppliers or where time is critical, the Deputy Principal in respect of points 2.1 to 2.3 and the Principal in respect of 2.4 may authorise a contract to be negotiated with one contractor. The reasons for taking action as detailed above should be recorded within the 'Small Contracts Record Book'.

Where Supplier Partnering Agreements exist, the terms of these will override the need to comply with 2.1 and 2.2 on the grounds that these are 'Open Book' arrangements where value for money considerations are embedded.

In addition, open tendering may not apply in respect of point 2.3 above where time does not allow the procedures for open tendering detailed below to be carried out or suitable contractors cannot be identified. In order for open tendering not to apply the following conditions must be followed.

- (i) Agreement to the project and the appropriate value for the contract to be offered must be first agreed by the Finance, Assets and Accommodation Committee and Full Board of the Corporation.
- (ii) The Principal and the Chairman of the Finance, Assets and Accommodation Committee must sign to acknowledge their agreement to the proposed alternative action. This paper is to be retained in the small contracts book.
- (iii) The alternative to open tendering must have safeguards to ensure that within the restricted circumstances e.g. short lead time, that the college will still get acceptably good value. Safeguards could include one or more of the following:
 - (a) Obtaining more than one tender
 - (b) Only using contractors who have carried out successful contracts with the College previously
 - (c) Securing the services of a known qualified professional, i.e. Architect/Quantity Surveyor to oversee the progress of the project who will verify in a written report on the value for money of quoted contracts.

2.4 **£200,000 and above**

Open tendering will always apply.

NB: All values are quoted **net** of VAT

2.5 **Catering**

The contractors area manager will meet with the Deputy Principal once a month to discuss the progress of the contract and to address issues as they arise. The DP will make regular reports of progress to FAA.

3. Open Tendering

3.1 **Invitation to Tender**

At the discretion of the Principal, specific suppliers/contractors will be directly contacted and invited to tender.

Where the Principal feels public tendering is necessary to be sure of best value then 14 days public notice shall be given in one or more local newspapers and or in one or more relevant trade newspapers or journals.

3.2 **Content of Invitation to Tender**

Invitations to tender shall:

- (i) Express the nature and purpose of the contract. State the specification required.
- (ii) Invite tenders for its execution
- (iii) State where tender documents may be obtained
- (iv) State the last date and time and at what location tenders must be received in order for them to be accepted into the selection process.

3.3 **Contents of Tender Documents**

Tender documents shall state that:

- (i) No tender will be considered unless received in a plain sealed envelope, with no name or mark indicating the sender, which shall bear the word “Tender” followed by the subject to which it relates.
- (ii) Tenders shall be addressed to the Principal
- (iii) Tenders received after the time and date specified in the invitation shall not be considered.

3.4 **Receipt of Tenders**

- (i) Tenders shall be kept in the custody of the Secretary to the Corporation or another member of the College staff designated by the Principal until the date and time specified for their opening.
- (ii) All Tenders shall be opened at one time and only in the presence of at least two persons (not being persons responsible for the receipt and custody of tenders prior to their opening.) The persons would include either the Principal, the Deputy Principal or another designated to carry out this task by the Corporation.
- (iii) The most senior member of staff present shall initial all opened tenders.
- (iv) The attached standard tender record form shall be used to record:
 - Details of the project that was put out to tender
 - The name of each person/organisation submitting a tender
 - The amount of each tender
 - The date and time of the opening of the tenders
 - The names of all persons present at the opening of the tenders.

3.5 **Acceptance of Tender**

- (i) The lowest tender, if fully meeting requirements, may be accepted by the Principal.
- (ii) If a tender other than the lowest is preferred on the basis that it was economically the most advantageous, through taking quality issues into account, authorisation of the Governing Board should be sought. Should a meeting of the full Board not be available authorisation may be given by the Chairman of the Finance, Assets and Accommodation Committee to the Corporation with a full report being forwarded to the next Finance, Assets and Accommodation Committee meeting and then to the board of Governors as to why.

4. Contract Conditions

4.1 **Use of Contracts**

Contracts in excess of £75,000 (net of VAT) in value per annum or amount shall be the subject of a formal contract under seal prepared by the Corporation if the particular circumstances suggest this would be desirable.

4.2 **Signing of Contracts**

All contracts, other than those that are to be sealed, are to be signed by the Deputy Principal or Principal on behalf of the Corporation.

4.3 Every Contract in writing shall specify:

- (i) The goods, materials or services to be supplied and the work to be executed.
- (ii) The price to be paid together with a statement of the amount of any discounts, other deductions or additions for contingencies where applicable.
- (iii) The time or times within which the contract is to be performed
- (iv) Contracts for the execution of work which exceed £75,000 in value or amount shall provide for liquidated damages to be paid by the contractor in case the terms of the contract are not duly performed
- (v) Every contract for the execution of works shall require the contractor to produce satisfactory insurance policies in respect of employers' liability, third party and fire risks in a sum of not less than £5,000,000 in respect of any one incident and such policies to be maintained throughout the term of the contract.
- (vi) Where an appropriate British Standard Specification or British Standard Code of Practice issued by the British Standards Institution is current at the time, every contract or order shall require that all goods and materials used or supplied and all workmanship be at least in accordance with that standard.
- (vii) There shall be inserted into every written contract a clause empowering the College to cancel the contract and to indemnify the College from any losses should it be proved that the contractor or any person employed or acting on his behalf has committed any offence under the Prevention of Corruption Acts 1889 to 1916.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

PURCHASE ORDERING

1. General

- 1.1 All orders must be on an official college order form.
- 1.2 All orders must be authorised by both the budget holder and Deputy Principal or Principal
- 1.3 Items of expenditure that do not need an official order include the following:
 - utility bills, i.e. gas, electric, oil, water and sewerage;
 - fixed and mobile telephone bills;
 - rates from local authority;
 - subscriptions to prescribed organisations, i.e. AoC.

1.4 Purchases over the EU Threshold

The College is obliged by law to advertise such tenders in the Official Journal of the European Union (OJEU) and to administer them in accordance with the appropriate legislation. Departments are responsible for providing a full specification for the required equipment or services. The threshold could vary from year to year depending on legislation from the EU. The -2010 level was £139,893 (excluding VAT) for supplies and services contracts and £3,497,313 (excluding VAT) for works contracts. For future levels please contact the Deputy Principal.

- 1.5 A blanket order is to be used in relation to low cost items of cleaning consumables. Once an order has been completed then a new order, properly authorised by the budget holder and Deputy Principal, will be issued. Suppliers to be notified that exceeding a blanket order will mean any additional expenditure will not be deemed authorised for payment.

1.6 Preferred Suppliers

The College Policy is to use preferred suppliers where ever this is practicable. The Goods Inwards Assistant has responsibility for efficient purchasing and benchmarking suppliers of stationary, estates and caretaking supplies and I.T. and science equipment specifically to secure best value for money and levels of service. This information is then factored in to the buying decisions which budget holders make.

The College recognises that through supplier agreements and Partnerships, significant savings can be generated.

2. Procedure for Ordering

- 2.1 Pre-numbered order forms are held by the Purchasing Clerk. All requests for order forms go through that person.

- 2.2 The Purchasing Clerk keeps a record of who has requested each order form.
- 2.3 The person raising the purchase order must ensure that it includes:
- department code to be charged;
 - VAT
 - budget holder's authorisation;
 - College Accountant's signature on the copy to verify sufficiency of budget
 - Deputy Principal or Principal authorisation
- 2.4 The completed order form is returned to the Purchasing Clerk who will send the order to the supplier. At the same time the order log is updated.
- 2.5 The remaining copies of the order are to be dealt with as follows:
- Yellow copy - filed numerically in Goods Received Department.
 - Green copy - to be retained by Purchasing Clerk for future agreement to delivery note and invoice
 - Blue copy - returned to budget holder, for their records and to show the order has been placed.

3. Credit Card purchases

All credit card purchases are carried out by the authorised cardholders only, who are the Principal, Deputy Principal, College Accountant, Purchasing Clerk and ESSU Director.

- 3.1 Each individual order has to be on an authorised College order form irrespective of whether the purchase is over the internet or elsewhere.
- 3.2 Each credit card purchase must be backed up by an order acknowledgement/copy of invoice and attached to a Credit Card Payment form. This form contains the date, amount, nominal code (for the cost centre), who requested the payment and then signed by the credit cardholder.
- 3.3 This Credit Card Payment form is then sent to Finance to cross reference with the Credit Card statement when received.
- 3.4 Each monthly Credit Card statement is reviewed by the College Accountant.

4. Delivery of Goods

- 4.1 All goods received in college should be received in the Goods Inward area. If any other person receives goods directly, these should be passed to the Purchasing Clerk.
- 4.2 The Purchasing Clerk will check the goods against the delivery note, and sign the copy of the delivery note.

4.3 Goods are then sent to the person who ordered them.

5. Invoicing

5.1 All invoices received will be passed through to the Purchasing Clerk in the Finance Dept.

5.2 The order (green copy) is then matched with the delivery note and invoice where appropriate, unless they fit into the category of being exempt from an official order.

5.3 Once matched the invoices are may then be passed for payment as detailed in the “Accounts Payable” section of College’s Financial Regulations and Procedures.

6. Order Log

6.1 The purchasing clerk will maintain an order log on a database maintained on the Network Server. This will keep a record of the status of all orders to allow at any time commitments to be calculated.

6.2 When an order is issued and sent to a supplier, the order log should be updated. The order log will show the following headings:

- Order number
- Budget holder
- Date
- Supplier
- Value (including VAT)
- Nominal ledger code
- Invoice number

6.3 When the order is invoiced, the final amount and the invoice number are recorded on the database.

Responsibility	Approved by:	Date:
Deputy Principal	Finance, Assets & Accommodation	June 2012

STUDENT TRAVEL SUPPORT SCHEME

1. Types of Travel

- 1.1 A subsidised scheme is offered to all students via a discounted bus ticket purchased from the First Hampshire Bus Company.
- 1.2 Special arrangements can be made for students who live in the Swanmore area.
- 1.3 Students living in the Portsmouth area are entitled to a 50% refund on the cost of Portsmouth Ferry Company tickets.

2. Documentation

- 2.1 First Hampshire bus ticket prices are agreed at the start of each academic year and are circulated to all students together with an application form.
- 2.2 Application forms and remittances when received from students are processed in the Finance department. Student information is recorded on an Access Database. Income for the ticket is recorded as shown at Appendix A, and given regularly to the Finance Assistant for banking. Details of the tickets required are emailed to First Hampshire, who process and return the tickets to the College. The tickets are checked back to the order to ensure all the ticket details are correct. If errors are found replacements are ordered for urgent action by the bus company. Ticket details are recorded on the database and then the students informed that the ticket is ready for collection via the Tutor.
- 2.3 Students living in the Portsmouth area collect and pass to Finance tickets used for the Gosport Ferry. Finance Office check and enter the details on a Ferry ticket form shown in Appendix B.

3. Payment Procedure

- 3.1 First Hampshire purchase invoices are thoroughly checked against the student application forms and then processed through the normal purchase ledger payment procedure.
- 3.2 Portsmouth Ferry Company ticket payments are made against an authorised spreadsheet generated refund form as shown in Appendix D. The necessary cash is arranged by the Finance Assistant and the student is informed when the payment is ready for collection via the Tutor.

Responsibility	Approved by:	Date:
Deputy Principal	Corporation	June 2012

TRAVEL AND SUBSISTENCE POLICY

St Vincent College acknowledges that in order for staff to carry out their duties effectively, travel away from their place of work will be necessary at times. This policy outlines the College's arrangements for payment of such costs when staff are on agreed official College business. Detailed below are some general guidelines.

- Travel expenses cannot be claimed for the journey from an individual's home to his/her place of work.
- Travel expenses should, as a rule, be claimed from and returning to your place of work to avoid paying tax. If a member of staff travels directly from home and/or returns home after such a visit, the allowable expense is the lesser of:
 - (a) the travel expenses actually incurred;
 - (b) the travel expenses which would have been incurred if the journey had started and finished at the normal place of work.
- All travel expenses will be reimbursed through payroll by completing a travel claim form.
- Where a member of staff is prevented by their official duties from taking a meal at College or home and thereby incur additional expenses, such authorised reasonable additional expenses will be reimbursed by the College, in accordance with the subsistence allowances detailed overleaf.
- Receipts for travel and subsistence must be attached to a travel claim form and authorised by the line manager. This form is then signed by the Deputy Principal.
- For all approved journeys, the College will pay the lesser of:
 - (a) **second class rail fare**; or
 - (b) mileage allowance at the rate detailed overleaf.
- If travelling and subsistence expenses are incurred through staff development activities, these should be requested on the Staff Development Application Form. Actual travel claims must be submitted to the Personnel Manager on a travel claim form, and will be checked against anticipated costs. If actual costs significantly outweigh anticipated costs, the College may only pay the estimated cost initially requested by the member of staff.
- If it is anticipated that overnight accommodation is required if a trip extends for longer than one day and is a significant distance away from home, or is a considerable distance to travel on the day of a course (taking into account its start time), this request must be detailed on the staff development application form. A maximum of £60 will be paid by the College for accommodation (or

exceptionally, higher rates which might include London), as agreed with the Deputy Principal) and daily food and beverage subsidies of £7.50 for lunch, £5.00 for tea and £15 for dinner can be paid on production of receipts.

- The College currently operates a casual user rate of 40p per mile paid to all staff attending meetings, staff development and conferences. The essential user rate is 45p paid to all staff who, as part of their day to day duties, need a car to be able to fulfil all tasks expected of them. This would include arrangements for banking, first aid and transporting students and staff to hospital and home, work placement visits, etc.
- In order to claim business mileage staff are required to have adequate business insurance and a copy of their current insurance policy must be on file at the college with the College Accountant.

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Deputy Principal	Corporation	June 2012

VALUE FOR MONEY

1. General

“Value for Money” (VFM) is a term used to assess whether or not an organisation has obtained the maximum benefits from the goods and services it acquires and provides within the resources available to it. Some elements of VFM may be subjective, difficult to measure, intangible and misunderstood and judgement is therefore required when considering whether VFM has been satisfactorily achieved or not.

VFM not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, together, they constitute good value.

2. Scope

This policy aims to:

- 2.1 Integrate and enable the adoption of VFM principles within existing management, planning and review processes;
- 2.2 Adopt recognised good practice where this makes good sense;
- 2.3 Ensure that, mainly through the internal audit process, VFM studies are conducted on areas of activity identified as worthy of review;
- 2.4 Provide the opportunity to enhance the economy, efficiency and effectiveness of activities;
- 2.5 Promote a culture of continuous improvement;
- 2.6 Ensures that financial savings for the College will be achieved without compromising any aspect towards the quality of service delivery;
- 2.7 Provide evidence to both internal and external observers, that the achievement of VFM is sought in all activities undertaken; and
- 2.8 Communicate to staff the recognition of their continuing obligation to seek VFM for the College as part of their route activities.

3. Responsibilities:

- 3.1 The responsibility for VFM lies with all members of staff within the College.
- 3.2 The Senior Management Team is responsible for implementing arrangements that will ensure VFM is being sought.
- 3.3 Managers have the responsibility to be aware of good practices in their own area of operation and to ensure that these are followed appropriately.

- 3.4 All staff should endeavour to seek and achieve VFM in all activities and to bring to managements' attention any opportunities for improvement or financial savings.

4. The Concept of VFM

- 4.1 Achieving VFM is also often described in terms of “the three Es” – economy, efficiency and effectiveness:
- Economy – minimising the cost of resources for an activity (“doing things at a low price”)
 - Efficiency – performing tasks with reasonable effort (“doing things the right way”)
 - Effectiveness – the extent to which objectives are met (“doing the right things”).
- 4.2 In many areas of activity there is purported “good practice” or “best practice” although again this is subjective. In general terms, the College wants to adopt such best practice, where it is appropriate to its own circumstances. Adoption of such best practice is a recognised way of not only achieving VFM but also of demonstrating that VFM has been sought and achieved.
- 4.3 The main benefits of promoting VFM are:
- (i) The clarification of objectives – VFM principles give managers a framework with which to assess the objectives of an activity. A VFM assessment should demonstrate that the activity fits in with the College’s strategies and objectives and should maximise the chance of achieving the desired ends without unnecessary expenditure and effort.
 - (ii) Planning – Application of VFM principles ensures that the activity is planned.
 - (iii) Openness and transparency – Properly documented planning and assessment helps provide a demonstration of achieving propriety as well as VFM
 - (iv) Compliance with statutes and regulations – Application of VFM principles at the planning stage should consider, and therefore ensure, compliance with statutes and regulations.
 - (v) Risk Assessment – As inadequate risk assessment can lead to poor VFM, application of VFM principles at the planning stage should help ensure that appropriate risk assessment of the activity has been carried out.

5. Achievement of VFM

5.1 An assessment of value for money can be achieved in a number of ways. For example

- Through benchmarking
- Through competitive tendering/seeking of alternative quotations
- By using performance indicators
- Through conducting VFM studies
- By seeking out and considering the adoption of “best practice”
- Through internal audit work
- Through the retention of planning and VFM assessment documentation
- By reviewing the outcomes of an activity
- Through the extended use of Partnering Agreements and other ‘open book’ arrangements.

5.2 There is no single way of demonstrating VFM and indeed the decision regarding whether VFM has been achieved is subjective. However, by planning and implementing activity in accordance with VFM principles, we can demonstrate that we have acted in the appropriate manner required of a publicly funded organisation.

6. Recording VFM

Consideration should be given as to how to best address the requirements of the Gershon Report. Capture of savings needs to have a cross college effect if a comprehensive view of VFM activity is to be achieved and reported.

The LSC EMM (Efficiency Management Model) can be employed to facilitate this.

7. Review

This Policy will be reviewed every three years or whenever change affects any part of it.

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Deputy Principal	Corporation	June 2012

VENDING MACHINES

College Serviced Machines

Vending machines located across the College are managed, stocked and maintained by an external contractor, ABM Catering. The financial performance of these will be reviewed alongside that of the catering facilities in general at a monthly contractor meeting with the Deputy Principal.

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